



STATE OF WASHINGTON

WASHINGTON STATE LIQUOR CONTROL BOARD
3000 Pacific Ave SE • PO Box 43075 • Olympia WA 98504-3075 • (360) 664-1600

206 682-4405

March 27, 2002

To: All Licensed Importers and Distributors acting as Importers

From: Heidi Ensign, Acting Non-Retail Compliance Programs Administrator
MIW Section, Licensing and Regulation

Subject: Distributor Appointments and Price Postings Requirements.

It has recently come to my attention that there is some confusion in regards to price postings and distributor appointment requirements for Importers and Distributors acting as Importers. Please refer to Bulletin No. 00-2, enclosed with this memo.

All Importers and Distributors acting as Importers must file as subjobbers/suppliers.

Distributor appointments must be submitted on your letterhead listing all distributors you are selling to. This appointment must be received by the 25th of the month to go into effect the 1st of the second month. For instance, if the LCB receives the appointment by March 25th the first day your distributor may sell the product will be May 1st.

Price posting requirements for Importers and Distributors acting as Importers have the same time line. As an Importer you must post your prices to Distributors by the 25th of the month with revisions or changes being made no later than the 1st of the month and you may sell the 1st of the following month. For instance, if you post your initial price by March 25th, you may make changes or revisions through April 1st, and you may start selling your product by May 1st.

According to our records we do not have distributor appointments on file for all Importers and Distributors acting as Importers, therefore, we are asking for an updated list from everyone to be submitted by April 17, 2002.

Attachment

H. Ensign
21
DEP EXHIBIT
CAROLYN PRANTE
NOTARY PUBLIC
5-1105

WBW-07898

WBW-008166

PLAINTIFF'S EXHIBIT	
CASE NO.	CV04-0360P
EXHIBIT NO.	174

WBW_106712

	<p>Manufacturers, Importers and Wholesalers Section PO Box 43093 Olympia WA 98504-3093 www.wa.gov/liq Phone: (360) 664-1637 or (360) 664-1640 Fax: (360) 664-4054</p>	<p>Bulletin No. 00-2 June 19, 2000</p>
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To: All Licensed Breweries, Wineries,
Importers and Distributors

Subject: Suppliers Price Filings, Contracts and Memoranda – Allowances
RCW 66.28.180
WAC 314-20-105 (Beer) WAC 314-24-200 (Wine)

(These regulations are available on the world wide web at www.wa.gov/liq or by contacting the Non-Retail Compliance Unit at the numbers above.)

Requirement

All licensed suppliers (breweries, wineries, importers and distributors that sell to other distributors) are required to file with the Liquor Control Board (LCB) any and all allowances offered to Washington distributors. Failure to file this information is a violation of the regulations stated above.

Allowances must be offered uniformly to all distributors. Quantity discounts are prohibited. Allowance programs must comply with title RCW 66.

Filing Deadlines and Effective Dates

Same as for supplier price postings: Postmarked (or filed on Internet system) by the 25th of any month to be effective the 1st day of the second month following the filing. Revisions may be filed between the 25th and the 1st, and if postmarked (or filed on Internet system) by the 1st will be effective the 1st day of the next month.

How Does a Supplier File Allowance Information?

1. Complete the appropriate allowance column(s) on the Internet posting site (or the Beer/Wine Supplier's Price Schedule for those still filing on paper) for each product for which an allowance is offered. Allowances must be refilled for every month in effect. See definitions and examples of common allowances below.
2. Use form LIQ 783-50 (enclosed) to file the written details and conditions of all allowances as presented to Washington distributors, in addition to step one above.

What Types of Allowances Must Be filed?

All allowances must be filed with the LCB. The most common types are defined below. The Internet posting site and paper posting forms have been designed with spaces for these most common types. For any other type of allowance, complete the most appropriate column of the Internet or paper posting form with the maximum allowance available and file the details on form LIQ 783-50. Contact the Manufacturers, Importers Wholesalers Section at one of the numbers above if you have any questions.

Note: Both filings as described in 1 and 2 above must be submitted to the LCB by the filing deadline.

Definitions of Common Allowances

Allowance Type	Definition
Purchase Allowance	A per case allowance reimbursed or credited to Washington distributors by the supplier for each case of product purchased within the posting period.
Flat Depletion Allowance	A per case allowance reimbursed or credited to Washington distributors by the supplier for each case of product sold to retailers within the posting period.
Percentage Depletion Allowance	Same as the Flat Depletion Allowance, except the amount of the allowance is based on the amount the distributor decreases the selling price to retailers for every case sold within the posting period. A percentage of this decrease is returned to the distributor up to the maximum allowance amount stated. The percentage may vary according to how much the distributor's selling price is decreased.

See examples on reverse side

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